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FACSIMILE TRANSMISSION

From : Randa Baladi

Tel No.: 602555-613535

| Addressee / Organization | Fax No. | Tel No. |
|---|-----------------|-----------------|
| Mr. Ramy Lakah Mr. Mohamed Khadr Mr. Medhat Sobhy Lakah Group | 202 417 6223 | 202 417 6224 |
| Ms. Susan McGowan Warburg Dillon Read | 44-171-567-2327 | |
| Camille Abousleiman, Esq. Stephen Jones, Esq. Dewey Ballantine - London | 44-171-456-6001 | 44-171-456-6061 |

Re : Lakah Group / Bond Issue.

Message :

Please see the attached.

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Date : September 7, 1999

Total Pages, including cover sheet : 4

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September 6, 1999

MEMORANDUM TO :

LAKAH GROUP

Attn.: Mr. Ramy Lakah
Mr. Mohamed Khadr
Mr. Medhat Sobhy

WARBURG DILLON READ

Attn.: Ms. Susan McGowan

DEWEY BALLANTINE - LONDON

Attn.: Camille Abousleiman, Esq.
Stephen Jones, Esq.

From: Randa Baladi

Re : Lakah Group / Bond Issue.

Dear Sirs :

This memorandum will set forth the actions to be taken by me during the course of this week and next week :

Due Diligence :

- Obtain a final sign-off on the diligence memoranda dated as of July 29, 1999 from Ahmed Abou Ali, Esq. prior to circulating them. I have forwarded several faxes and E-mail regarding this issue. I received finally an E-mail from Abou Ali promising that he will answer my request shortly as he was on vacation.

- Circulate the diligence memoranda after Ahmed Abou Ali, Esq. final confirmation to Hani Sarie El Din, Esq. from Shalakany Law offices and Ms. Susan McGowan.
- A meeting was held between Tamim Foda, Raafat Sobhy (internal legal counsels), Mohamed Khadr, Stephen and myself regarding any update on the diligence. Except for the registration of the latest resolutions for the Holding and the Affiliates no further actions were taken (such as transfer of land, S-14 for Quest etc.) since July 29.

Documents to be reviewed :

Stephen and I have requested to review the documents listed below. The Lakah Group stated that they will be made available shortly:

- Evidence of registration with the Commercial Registry of all latest resolutions for the Holding and the Affiliates (exact references of the resolutions were given to Tamim Foda and Raafat Sobhy).
- Evidence of the publication of the Business Plan as mandated by Decree No 251.
- All documents relating to ACIS (Arab Cast and Iron Steel) : issuance of new shares and transfer of shares.
- All external loan agreements with banks.
- All incorporation documents and contracts relating to the formation and operation of the leasing and disposable companies.
- All service station contracts for Universal for Heavy Transport.

N.B.: I should be going to Cairo when all the documents listed above are available for review in order to avoid having to go several times.

Documents to be prepared :

The following documents should be prepared at the earliest :

- A short letter stating that the loans reviewed are all the loans that have been entered into by the Holding and the Affiliates.

- We promised Ramy to prepare at the earliest the necessary resolutions required to enter into the various transactions needed for the proposed bond issuance after obviously final agreement on the structure. Please note that the extension of guarantees will require shareholders' approval. This matter was confirmed by Hani Sarie El Din, Esq.
- Warburg Dillon Read requested that language should be included in the opinion of the Egyptian Counsel regarding the fact that the indebtedness of the Holding is not deemed according to Egyptian Law subordinated to that of the Affiliates. It appears that this issue is often raised in Europe. They would like this issue confirmed as soon as possible by the Egyptian Counsel.

I am at your disposal should you wish to discuss the matters listed in this memorandum further.

Regards